

STATE OF LOUISIANA – INVITATION FOR BID



PROPOSAL NO.: BM-12

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PROPOSAL **MUST BE RECEIVED** NO LATER THAN

TIME:	10:00 A.M.
DATE:	April 21, 2010
IFB COORDINATOR:	Kristy Breaux
PHONE NUMBER:	(225) 342-8470
E-MAIL ADDRESS:	kristy.breaux@la.gov

This document constitutes an invitation to submit sealed bids, including prices, from qualified individuals and organizations to furnish those services and/or items described herein.

Proposals **must** be mailed to the Office of the Governor, Division of Administration (D0A), Office of Risk Management or hand carried to its offices at 1201 North 3rd Street Ground Floor, Suite G-192, P. O. Box 91106, Baton Rouge, Louisiana 70821-9106.

STATE OF LOUISIANA – VARIOUS STATE DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS

FOR

Following Form Comprehensive Blanket Broad Form (Repair or Replacement Cost) Equipment Breakdown Protection Coverage

CONTRACT PERIOD:

Policy to be effective for the period of 12:01 A.M. July 1, 2010 to 12:01 A.M. July 1, 2011, with two one-year options to renew at the same rates. Bids will be received up to **10:00 A.M., April 21, 2010**, by the Administrative Section of the Office of the Governor, Division of Administration, Office of Risk Management, 1201 North 3rd Street, Ground Floor, Suite G-192, Baton Rouge, Louisiana. At the same hour of the same day and date bids will be publicly opened and read in the conference room at the Division of Administration, Office of Risk Management address. Bids received after this time will be returned to the bidder/contractor unopened.

BIDDER/CONTRACTOR INFORMATION/SIGNATURE:

The bidder hereby agrees to provide the insurance coverage and related services, at the prices quoted, pursuant to the requirements of this document and further agrees that when this document is countersigned by an authorized official of the *State of Louisiana*, a binding contract, as defined herein, **shall** exist between the bidder and the *State of Louisiana*.

Insurance Agency Name

Signature of Designated Authorized Insurance Agency Representative

Print Name

Title

Mailing Address (Bidding Agency)

Telephone

City

State

Zip Code

THE FOLLOWING SECTION IS FOR STATE OF LOUISIANA USE ONLY

NOTICE OF AWARD

PROPOSAL NUMBER: ➔ BM-12

This proposal is accepted by the *State of Louisiana* as follows:

STATE RISK UNDERWRITING
SUPERVISOR

STATE RISK DIRECTOR

DATE

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**STATE OF LOUISIANA
OFFICE OF RISK MANAGEMENT (ORM)**

PART I

TERMS AND CONDITIONS OF AN INVITATION FOR BID

1. Terminology of an Invitation for Bid (IFB)

Throughout this document the words "bidder", "contractor", and "policy" may pertain to one or more bidder(s), contractor(s), or policy(ies).

Whenever the following words and expressions appear in an Invitation for Bid document or any amendment, exhibit, or attachment thereto, the definition or meaning described below **shall** apply.

- 1.1 **Authorized** - Is an admitted or non-admitted insurance company approved by the Commissioner of Insurance to do business in the State of Louisiana.
- 1.2 **Bid Close Date and Time and Similar Expressions** - The exact deadline required by the IFB for the physical receipt of bids by the Division of Administration (DOA), Office of Risk Management in its office.
- 1.3 **Bidder** - The person or organization that responds to an IFB with a proposal and prices to provide the service, supplies, or equipment as required in the IFB document. **All provisions contained in this solicitation, which are addressed to the bidder, shall apply equally to the contractor.**
- 1.4 **Budget Agency or State Budget Agency** - Any unit of state government in the State of Louisiana for which the policy of insurance and service is being purchased by the Office of Risk Management sometimes hereinafter referred to as ORM.
- 1.5 **Buyer** - The procurement staff member of ORM.
- 1.6 **Contractor** - The person or organization who enters into a legally binding contract thereby agreeing to perform a service and/or to furnish supplies or equipment in return for the payment of money and includes the bidding agent or agency and the insuring company whose names appear on the cover sheet and EXHIBIT III of the invitation for bid. **All provisions contained in this solicitation, which are addressed to the contractor, shall apply to the bidder.**
- 1.7 **Guaranteed Cost** - Premium charged on a prospective basis, fixed or adjustable, or on a specified rating basis, but never on the basis of loss experience. In other words, the cost is guaranteed to the extent that it will not be adjusted based on the loss experience of the insured during the period of coverage. The rate(s) **must** remain fixed during the contract period.
- 1.8 **Invitation for Bid or IFB** - Those procurement documents issued by ORM to potential bidders/contractors for the purchase of insurance coverage and related service as described in the document. The definition includes all attachments, exhibits, schedules, supplemental pages, and/or amendments thereto.
- 1.9 **Manuscript Endorsement** - Any manually-drafted endorsement changing any conditions, agreements, exclusions or warranties of the contract.
- 1.10 **Must and Shall** - When these words are used the performance of a certain act is a mandatory condition and **shall** be performed exactly as described.
- 1.11 **Designated Authorized Representative** - When used in regards to the insurance company or an incorporated insurance agency, these words mean an elected corporate officer with power of attorney for the insurance company/agency. The requirements of power of attorney are specified in

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PART IV, Section 3 of these specifications. When used in regards to an unincorporated insurance agency, these words mean the owner of the agency.

2. Open Competition

- 2.1 It is the intent and purpose of ORM that the Invitation for Bid permits free and open competition. However, it **shall** be the bidder's/contractor's responsibility to advise ORM if any language, requirements, etc., or any combination thereof, inadvertently restricts or limits the requirements to a single source or otherwise unduly or unnecessarily prohibits the submission of a bid. The notification **must** be received by ORM within ten (10) calendar days prior to the bid close date and time. Bidders are requested to bring to the attention of ORM any perceived problems with these specifications at the earliest possible opportunity in order to allow clarification or amendment with minimal disruption to the bid process.

3. The Invitation for Bid Document (IFB)

- 3.1 The IFB contains two basic types of requirements and information, although it may be organized into several parts. One type consists of the scope of work (technical requirements) and related contractual commitments with which the bidder/contractor **must** comply if awarded a contract. The other type consists of those basic instructions and procedural requirements which **must** be observed and satisfied by the bidder/contractor when submitting a bid for consideration.
- 3.2 The IFB or a Notice to Bidders is mailed to persons and organizations at the address currently on file with the DOA, Purchasing Section. If any portion of the address is incorrect, the bidder/contractor **must** notify the buyer upon receipt of the document. Any subsequent amendment to an IFB will be mailed to the same address as the original IFB unless otherwise notified.
- 3.3 Additional copies of the bid proposal forms, information, specifications and subsequent amendments may be obtained on line at <http://www.doa.louisiana.gov/orm/uwnewbid.htm>.

4. Amendments to an Invitation for Bid

- 4.1 ORM reserves the right to officially modify or cancel an IFB after issuance. Such a modification shall be identified as an amendment and numbered in a sequential order as issued.
- 4.2 If bidder/contractor has not received all amendments which have been issued by ORM, it is the bidder's/contractor's responsibility to contact ORM to obtain a copy(ies) of the amendments. If the designated authorized representative of the insurance agency fails to acknowledge receipt of all amendment(s) by signing the amendment(s) in the designated area and returning same with bid response, the bidder's/contractor's submission will not be considered a responsive bid.
- 4.3 The designated authorized representative of the insurance agency may acknowledge the acceptance of the conditions of an amendment by electronic mail services if issued to and physically received in the Office of Risk Management by the IFB Coordinator no later than the official bid close date and time. Verbal messages shall not be permitted or considered as an acceptance of an amendment.

5. Questions by Bidders

- 5.1 Any questions related to an IFB **must** be directed to the buyer in ORM whose name appears at the top of the form on page 1. Prior to the award of the IFB, the bidder/contractor **shall** not contact nor ask questions of the State agency for which the required insurance is being procured, unless so stated elsewhere in these specifications. **Questions shall be submitted in writing and will be answered in writing in the form of an amendment and posted to the official website.** Any correspondence related to an IFB should refer to the appropriate IFB number, page and paragraph number, etc. However, if you mail questions, do not place the IFB number on the outside of the envelope containing questions since such an envelope will be identified as a sealed bid and will not be opened until after the official bid close date and time. Correspondence is to be mailed to the Office of Risk Management, P. O. Box 91106, Baton Rouge, LA 70821-9106, Attention: IFB

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Coordinator.

- 5.2** All questions **must** be received by ORM at least fifteen (15) calendar days prior to the bid opening date. All answers will be posted to the official website at least ten (10) calendar days prior to the bid opening date.
- 5.3** Questions will also be permitted at Pre-Bid Conferences when scheduled. If scheduled, the IFB will contain the date, time, and location of the Pre-Bid Conference; attendance will be at the bidder's/contractor's expense. The bidder/contractor should bring a copy of the IFB since it will serve as the agenda. However, since impromptu questions may be asked and spontaneous answers may be given, the only official position of ORM or a State agency **shall** be the position or answer posted to the official website. Transcripts are not made nor issued to bidders/contractors.

6. Instructions for Submission of Bid(s) by Bidders/Contractors

- 6.1** A proposal submitted **must** be manually signed in ink by the designated authorized representative of the insurance agency and the insurance company. ORM will accept either the original insurance company designated authorized representative's signature submitted with the bid response or a facsimile copy of the insurance company designated authorized representative's signature on EXHIBIT III in lieu of an original signature. The original of EXHIBIT III containing the insurance company designated authorized representative's original signature **must** be received at ORM's office within thirty (30) working days after the bid opening date. Failure to timely submit said original of EXHIBIT III may result in rejection of the bid. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the requirement of a company and an agency signature; however, the submission of a bid bond allows any authorized person from the company and the agency to sign the invitation in lieu of the designated authorized person.
- 6.1.1** The designated authorized representative of the insurance agency **shall** manually sign in ink the following:
- 6.1.1.1** Form ORM-02
- 6.1.1.2** Any amendments to the specifications, if required.
- 6.1.2** The designated authorized representative of the insurance company **shall** manually sign in ink the following:
- 6.1.2.1** EXHIBIT III
- 6.2** All attachments **shall** be returned as follows:
- 6.2.1** **Must** contain all information required by the IFB.
- 6.2.2** The bid **shall** be priced as required in the IFB.
- 6.2.3** **Must** be sealed in an envelope or box.
- 6.2.4** **Must be delivered to the Office of Risk Management - Administrative Section and officially clocked in no later than the exact time on the date as specified in the IFB.**
- 6.2.5** Entire IFB and Amendment (if applicable) shall be returned except as otherwise provided in these specifications.
- 6.3** **THE SEALED ENVELOPE OR BOX CONTAINING AN IFB SHALL BE CLEARLY MARKED ON THE OUTSIDE BOTTOM LEFT CORNER WITH THE FOLLOWING:**
- 6.3.1** **THE OFFICIAL IFB PROPOSAL NUMBER.**

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6.3.2 THE OFFICIAL CLOSE DATE AND TIME.

- 6.4** Please submit your bid with pages numbered in the bottom right-hand corner of each page in the following manner: 1 of 4, 2 of 4, etc.

7. Proposal Opening

- 7.1** Shortly after the expiration of the official bid close date and time, bids will be opened. The bidders/contractors and the public are invited, but not required to attend the formal opening of bids. Prices will be read aloud to the public. However, no decisions related to an award of a contract **shall** be made at the opening.
- 7.2** Due to manpower limitation, buyers shall not repeat prices after an opening via telephone request. Please do not make such requests. However, upon written request a photocopy of the Summary of Quotations shall be forwarded to interested bidders/contractors.

8. Late Proposals

- 8.1** Any bid received by ORM after the exact bid closing date and time **shall** not be opened and **shall** not be evaluated regardless of the reason and mitigating circumstances related to its lateness or degree of lateness.
- 8.2** It is the bidder's/contractor's sole responsibility to insure that the proposal is physically received and officially clocked in as a sealed document by ORM in its office no later than the official close date and time. Late bids **shall** be returned to bidders/contractors unopened.

9. Rejection of Bids

An invitation for bids, a request for proposals, or other solicitation may be canceled or all bids or proposals may be rejected, if it is determined in writing by the chief procurement officer or his designee that such action is taken in the best interest of the State.

10. Public Notice of Awards

- 10.1** ORM has no facilities for furnishing abstracts of bids; a complete record of all bids is on file in this office subject to inspection of any citizen who is interested in investigating, for any purpose, the record of State purchases.
- 10.2** Bidders are permitted to review competitors' bids and evaluate documents in accordance with the provisions of the Public Record Act, Louisiana R.S. 44:1 et. seq. Such review **must** be conducted on site in ORM in accordance with the public records statutes.

11. Non-Award of Contract Due to Insufficient Funds

ORM reserves the right to reject the bid for insurance coverage if the insured(s) does/do not have sufficient funds available with which to pay the premium.

12. Contract Resulting From an IFB

- 12.1** **The bidder/contractor is advised that the State of Louisiana does not sign standard contract forms.** The IFB document issued by ORM contains signature lines for the designated authorized representative of the insurance agency and of the insurance company which **shall** be signed when submitted as a bid. Immediately below the bidder's/contractor's signature line is a section entitled "Notice of Award" which contains signature lines for officials of the State of Louisiana. To consummate a contract, officials of the State of Louisiana need only to sign the Notice of Award section of the form.

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- 12.2** Be aware that the actual contract between the State of Louisiana and the bidder/contractor shall consist of the following documents: (1) IFB and any amendments issued thereto, (2) the proposal submitted by the bidder/contractor in response to the IFB, (3) the actual policy issued. **In the event of a conflict in language between items 1, 2, and 3 referenced above, the provisions and requirements set forth and/or referenced in the IFB shall govern.** ORM reserves the right to clarify any contractual relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the IFB and the bidder's/contractor's proposal. In all other matters not affected by the written clarification, if any, the IFB shall govern. The refusal of the bidder/contractor to conform to the provisions and requirements set forth and/or referenced in the IFB shall result in the award of the contract to the new lowest bidder/contractor. The bidder/contractor is cautioned that its proposal shall be subject to acceptance by ORM without further clarification. In the event of any discrepancies between the insurance requirements delineated in these bid specifications and the model policy provided herein, the bid specifications shall govern.

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PART II

TECHNICAL SPECIFICATIONS

1. General Specifications

- 1.1 The bidder/contractor **shall** provide following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage for State of Louisiana, Various State Departments, Agencies, Boards and Commissions.
 - 1.1.1 The bidder/contractor **shall** agree that underwriting information provided in the schedule is believed to be correct and it **shall** not be considered in any way a warranty by ORM and **shall** not impair the rates for the insurance coverage based upon the information provided.
 - 1.1.2 Bids submitted by admitted companies (including reinsurance carriers which desire to submit bids for any coverage layer requested or excess of any coverage layer requested) licensed to do business in the State of Louisiana possessing a **Best's Insurance Reports policyholder's current rating of "A++", "A+", "A" or "A-", with a financial rating of Class VIII or higher will be considered first.** Surplus line companies or non-admitted companies possessing a **Best's Insurance Reports policyholder's current rating of "A++", "A+", "A" or "A-", with a financial rating of Class VIII or higher** will be considered and accepted only if acceptable bids are not tendered by an admitted company. The bidding company **shall** meet the qualifications mentioned above without regard to any cut-through endorsements to a higher company. Direct quotations from companies (including reinsurance carriers) **shall** be considered an alternate bid. Mutual companies which write assessable insurance policies are not acceptable and will not be considered for award of the bid.
- 1.2 The contract and policy term **shall** be for the period of time as reflected under EXHIBIT I.
- 1.3 Invoices for policies delivered and accepted **shall** be submitted (in duplicate) by the bidder/contractor on its own form directly to ORM.
- 1.4 Premiums for each State budget agency shall be computed separately where policies of insurance cover more than one State budget agency.
- 1.5 Contractor shall be required to furnish closure claims settlement notices to ORM on all settlements of claims. Contractor shall be required to furnish a quarterly report reflecting claims (cumulatively for policy year, not just activity for the quarter) opened and closed and claims reserved and paid per agency by policy year including all allocated loss adjustment expenses until all claims are closed. Information to be reflected on the quarterly report for each individual claim shall include but not be limited to the following.
 - 1.5.1 Date of Loss;
 - 1.5.2 Status of claim (open, closed, reopened);
 - 1.5.3 Brief Description of Loss;
 - 1.5.4 Name of State Agency;
 - 1.5.5 Amount of claim as indicated below (by coverage code, if coverage code is applicable);
 - 1.5.5.1 Total Incurred;
 - 1.5.5.2 Amount paid;
 - 1.5.5.3 Amount reserved;
 - 1.5.5.4 Amount recovered;
 - 1.5.5.5 Amount of loss adjustment expenses; and
 - 1.5.5.6 Net Incurred
- 1.6 All books and records of transactions under this contract **shall** be maintained by the

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bidder/contractor for a period of five (5) years from the date of the final payment under the contract.

- 1.7 ORM will execute any "A" rate form or Louisiana Certification of Exempt Commercial form as necessary to enable the underwriter to comply with any premium charge quoted and preclude any violation of rating bureau requirements (if applicable). The form(s) will be executed upon written request.
- 1.8 The contractor shall make special filings of policy forms with the Louisiana Department of Insurance as needed to comply with coverage requested in these specifications prior to the issuance of the policy and during the entire policy period.
- 1.9 At the request of ORM, the insurance policy issued to include coverages as reflected in PART IV of these specifications will be revised by way of endorsements to the policy extending or deleting coverage as a result of any changes in units of exposure, if needed.
- 1.10 A bidder/contractor offering a direct sale of insurance to the State should have reduced the policy premium by the amount of the commission which would have been paid, as indicated by Louisiana R.S. 39:1631.
- 1.11 "It **shall** be unlawful for an agent (bidder/contractor) to split, pass on or share with any person, group, organization or other agent, except the *State of Louisiana*, all or any portion of the commission derived from the sale of insurance to the State..." Louisiana R.S. 39:1632.

2. General Required Endorsements

The "policy of insurance" as used in this section shall mean policy issued by the successful bidder/contractor.

- 2.1 **The cancellation provisions of the policy of insurance shall be replaced with the following:** "It is agreed that the guidelines set forth in this policy as regards cancellation of coverage are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:

The insured may cancel the policy by returning it to the company or by giving the company advance notice of the date cancellation is to take effect. The company may cancel or non-renew the policy by mailing to the insured by "Certified Mail, Return Receipt Requested" (at the insured's last known address by the company) written notice of cancellation at least:

Thirty (30) days before the effective date of cancellation if cancellation is due to nonpayment of premium; or

One hundred-twenty (120) days notice if cancellation or non-renewal is due to any other reason.

The company may deliver any notice instead of mailing it. A signed return receipt will be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period."

- 2.2 **The policy of insurance shall include this endorsement:** "Exclusions relating to employees shall only exclude liability for injuries, sickness, and death, when such are compensable under the Louisiana Workers' Compensation Law (except Voluntary Seat Liability under aircraft insurance), when applicable."
- 2.3 **The policy of insurance shall include this endorsement:** "For the insurance afforded herein, the State Risk Director for the State of Louisiana, Division of Administration, Office of Risk Management is authorized to act for all insureds with respect to the giving and receiving of notice of cancellation, non-renewal or material change, receiving any return premium or dividend, and changing any provisions of this coverage. Such notice or changes shall be mailed in care of the Office of Risk Management, Division of Administration, Post Office Box 91106, Baton Rouge, LA 70821."

3. Special Required Endorsements

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3.1 Policy of insurance shall include this statement:

"It is agreed that the guidelines set forth in this policy as regards automatic coverage are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:

Automatic blanket coverage is provided on all property (property as to which insured has ownership or control whether or not indicated on policy schedule) without regard to any ninety (90) day automatic limitations in the policy.

In addition, newly acquired covered equipment under Builder's Risk becomes at risk under equipment breakdown protection coverage when the covered equipment is under the operation of state personnel immediately after installation and testing."

4. Delivery Dates and Location

- 4.1** The policy of insurance **shall** be received by ORM within forty-five (45) days from the inception date of the policy and **shall** not be delivered to any other State agency.
- 4.2** Coverage binder **shall** be received by ORM within ten (10) days of the date award is made.
- 4.3** Bidder/Contractor shall issue endorsement(s) to any additional insured(s) as requested by the Named Insured.
- 4.4** This is a request for a guaranteed cost for one (1) year policy in effect from July 1, 2010 to July 1, 2011 with two one-year options to renew at the same rates.

5. Claims Service

- 5.1** The bidder/contractor shall provide claims service for the following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage.
- 5.2** The claims service shall be responsible for the handling of our claims to their conclusion in a professional manner. Should the contract be terminated the bidder/contractor **shall** remain responsible for occurrences that take place during the policy period.
- 5.3** The contractor **shall** furnish an adjusting firm, with ORM's concurrence, having qualifications equal to a general adjuster specializing in form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage with the ability to perform inspections within twenty-four (24) hours after notification of loss, upon the request of ORM. The insured **shall** report all losses to the agent-of-record (contractor). The company **shall** not contest any settlement made by ORM unless written notice of its intent to participate in the loss adjustment has been made within fourteen (14) days after receipt of the Property Loss Notice to the agent-of-record.

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Engineering, Adjusting and Inspection Services

- 6.1 Any change or restriction in Engineering and Claims Adjusting Services required in these specifications **must** be completely explained in writing and attached to the bid. Any such deviations which provide less service than that required in these specifications **shall** be considered an alternate quotation. Any such change or restriction **shall** be indicated on EXHIBIT VI of these specifications. Submission of engineering and claims adjusting services narrative **shall** not be considered to be in compliance with the above stipulations.
- 6.2 The bidding company must have at least five (5) full-time direct-employ Boiler and Machinery Inspectors holding valid and current National Board of Boiler and Pressure Vessel Inspector Commissions. These inspectors **must** be engaged 100% of their time with boiler and machinery work and reside in the State of Louisiana or in contiguous areas having easy access to the State.
- 6.3 The bidding company must have the capability of making all jurisdictional inspections, on scheduled state agencies, required by the State of Louisiana, on a timely basis.
- 6.4 The bidding company must have at least five (5) training seminars annually (each policy year) which include training aids and student material on technical service for loss prevention/safety for equipment breakdown protection coverage in force. Each seminar will be at least seven (7) hours in duration and be held at five (5) separate locations (Baton Rouge, Lafayette, Alexandria, Shreveport, and New Orleans) each policy year.
- 6.5 The bidding company must provide engineering and claims adjusting services up to two hundred (200) hours annually (each policy year) and submit an hourly rate for time over the two hundred (200) hours. The two hundred (200) hours annually includes the adjusting of claims below the deductible. The hourly rate above two hundred (200) hours is to be reflected on Exhibit II of these specifications.
- 6.6 The bidding company must inspect covered equipment to insure proper maintenance is being performed, review maintenance procedures verifying the actual steps being done, and provide a written report to ORM, Loss Prevention Unit.
- 6.7 The bidding company must review written maintenance program for Emergency Contingency Plan and make recommendations for efficient procedures to conduct business and avoid business interruption in event of a loss.
- 6.8 The bidding company must have the capability to provide a disaster recovery plan to mitigate the effects of a catastrophe for covered agencies.
- 6.9 The successful bidding company will assure no jurisdictionally mandated operating certificates shall be allowed to have expired by more than sixty (60) days without the boiler or vessel having received a renewal inspection. Any certificates expired more than sixty (60) days must be reviewed by the State Fire Marshal's Office. A copy of current expiration dates will be furnished to successful bidder upon request. Bidding company will be responsible for adhering to procedures established by the State Fire Marshal's Office as regards certificate fees.
- 6.10 The bidding company shall provide annual Transformer Oil Gas Analysis (TOGQ) Testing on all filled transformers rated at 5000KVA and higher. Detailed reports of the finding shall be sent to the ORM, Loss Prevention Section.
- 6.11 The bidding company shall provide Infrared Scanning five (5) days annually (each policy year) at locations agreed upon by ORM. These inspections must be conducted by a full time employee who must be a qualified Level II Thermographer per ASNTC-TC-IA. The inspection reports shall include the following:
 - ❖ A letter summarizing the conditions found during the inspections.
 - ❖ A thermograph and a reference photo for each adverse heat condition found.

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- ❖ An overall assessment of the facilities electrical preventative maintenance program.
- ❖ Detailed corrective recommendations for all adverse conditions found.
- ❖ Detailed summary of all equipment inspected.

6.12 If available provide: Monthly, quarterly and annual preventative maintenance information. This information may be faxed directly to each physical plant in the state on a monthly basis. Fax numbers to be provided by the Loss Prevention Unit of ORM.

6.13 Low and successful bidder/contractor shall be required to provide an updated schedule of covered equipment. The first schedule shall be provided no later than February 1, 2011 with subsequent schedules provided no later than February 1, 2012 and February 1, 2013. Schedule of Covered Equipment must be provided in Excel spreadsheet format. Schedule should include all jurisdictional objects, major systems, and covered equipment which will produce losses of \$100,000 in excess of \$50,000 deductible. A minimum of the following information shall be reflected for each piece of equipment:

- ❖ SLABS (State Lands & Building System) System Identification Building Number
- ❖ ORM Location Code
- ❖ Make
- ❖ Model
- ❖ Tonnage/BTU/KVA or Size
- ❖ Serial Number
- ❖ Certificate Expiration Date
- ❖ Jurisdiction Number

6. Rates

7.1 The contractor **shall** provide ORM with the rate(s) per unit of exposure corresponding to premium indicated on EXHIBIT I as regards following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage. The rate(s) **shall** be indicated on EXHIBIT II of these specifications.

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	*	PART III	*		*	
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PART III

GENERAL CONTRACTUAL REQUIREMENTS

1. Bidder/Contractor **shall** be bound by the provisions of Louisiana R.S. 39:1551, et. seq., (The Louisiana Procurement Code).
2. Unless otherwise provided by law, a contract for services may be entered into for periods of not more than three years. No contract **shall** be entered into for more than one year unless the length of the contract was clearly indicated in these specifications. At the option of the State of Louisiana and upon acceptance by the bidder/contractor, any contract awarded for one year may be extended for two additional twelve-month periods -- not to exceed a total contract period of thirty-six months.
3. **Appropriation Dependency Clause**
 - 3.1 The continuation of this agreement is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the agreement. If the legislature fails to appropriate sufficient monies to provide the continuation of this agreement or if a lawful gubernatorial order issued in or for any given fiscal year during the term of this agreement reduces the funds appropriated in such amounts as to preclude making the payments set out herein, the agreement **shall** terminate on the date said funds are no longer available without any liability incurring onto the State other than to make payment for services rendered prior to the termination date.
 - 3.2 However, the State **shall** be under a duty to make such determination only in good faith. It shall not arbitrarily and without justification cancel this agreement for the sole purpose of acquiring from another vendor other products of comparable quality and value. The State agrees that it will use its best efforts to obtain approval of necessary funds to fulfill the obligations of this agreement by taking the appropriate action to request adequate and/or additional funds.
4. Endorsements extending and/or deleting coverage which are issued to the policy of insurance **must** reflect any increases or decreases in the amount of the bidders'/contractors' compensation (premium) and **shall** serve to modify or amend the premium as reflected on EXHIBIT I of these bid specifications. No other method and/or no other document, including correspondence, acts and oral communications by or from any person, **shall** be construed as a modification or supplementation of the contract except as herein delineated as regards amendments and endorsements.
5. In the event the insurance company or companies originally contracted by ORM fail(s) to perform, ORM **shall** allow substitution for such company or companies if the parties sought to be substituted meet all criteria established by these specifications. In the event substitution of company or companies occurs, company signature pages signed by the replacement company or companies **must** also be submitted to ORM.

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	*	PART IV	*		*	
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PART IV

GENERAL BID INFORMATION

1. Special Instructions to Bidder

- 1.1 The bidder/contractor **must** respond to this IFB by submitting all data required herein in order for this bid to be evaluated and considered for award. Failure to submit such data **shall** be deemed sufficient cause for disqualification of a bid from further consideration of award.
- 1.2 The bidder/contractor **shall** provide **following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage** which **must** equal or exceed the coverage provided in the underlying self-insurance policy issued by ORM and reflected in Schedule B of these specifications.
- 1.3 Any change or restriction in conditions, warranties, or exclusions from the underlying policy or from these specifications **must** be completely explained in writing and attached to the bid. Any such deviations which provide less coverage and/or service than that required in the underlying policy and/or these bid specifications **shall** be considered an alternate quotation. Any such change or restriction **shall** be indicated on EXHIBIT V of these specifications. **Submission of sample policy(ies) and/or service narrative shall not be considered to be in compliance with the above stipulations.**
- 1.4 ORM reserves the right to reject any or all bids.
- 1.5 Bidder/Contractor is bound by all of the terms, prices and conditions of its bid for a term of sixty (60) days after bid opening. No bid may be withdrawn prior to the expiration of that sixty (60) day period.
- 1.6 Bids will be awarded by competitive sealed bidding, pursuant to R.S. 39:1594. Only dollar values stated in EXHIBIT I will be considered for award of the bid. The DOA/ORM reserves the right to award the bid for the option which provides the highest limit of coverage at the lowest premium within the budget agency's allocated funding.
- 1.7 Separate policies **shall** be issued for each individual budget agency named in these specifications.
- 1.8 A contract or order resulting from this IFB **shall** be awarded in response to a bid providing the lowest responsible and responsive bid to the State of Louisiana.
- 1.9 Any award of the contract resulting from this IFB **shall** be made by written notification from ORM.
- 1.10 As respects this bid, company name and signature of designated authorized representative of the insurance company shall be indicated on EXHIBIT III of these specifications. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the need for a company signature; however, the submission of a bid bond allows any authorized person from the company to sign the invitation in lieu of the designated authorized person.

2. Pricing Information

- 2.1 The bidder/contractor **shall** provide fixed rates for services as required by the Technical Specifications. These costs **shall** be shown on the form attached as EXHIBIT I and EXHIBIT II, which **must** be returned with the proposal.
- 2.2 The bidder/contractor **must** provide other information as required in EXHIBIT I.
- 2.3 The bidder's/contractor's quotation **shall** be based on the following:
 - 2.3.1. Guaranteed Cost Plan

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2.3.2. Any Proposal submitted by the bidder/contractor **must** be submitted on the form herein provided with the blank spaces filled in showing the annual premium based on the coverages reflected in PART IV of these specifications.

2.4 Percentage of commission return **shall** reflect that percentage of the total premium which will be returned to the State by the successful bidder/contractor, if applicable, and as allowed in Louisiana R.S. 39:1631 and Louisiana R.S. 39:1632.

2.5 Any increase and/or decrease in premiums at anniversary date on renewal policies **shall** increase and/or decrease amount of commission return to the same degree of percentage as the original commission return utilized in the net premium determination.

2.6 Annual/Anniversary premium **shall** be on a flat rate basis with no adjustments being made in a policy year for an increase or decrease in exposure units. However, subsequent anniversary billings will reflect any premium adjustments due to change in exposure units.

3. Bidder Information

3.1 As regards the insurance company and an incorporated insurance agency, the bidder/contractor shall attach either one of the following (Items 3.1.1 or 3.1.2) to the proposal:

3.1.1 Board resolution or power of attorney (with seal):

3.1.1.1 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance agency.

3.1.1.2 giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.

3.1.1.3 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.

3.1.2 Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$100,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to nearest dollar.

3.2 As regards an unincorporated insurance agency (sole proprietor agency), the bidder/contractor shall attach either one of the following Items (3.2.1 or 3.2.2) to the proposal.

3.2.1 Notarized affidavit, board resolution or power of attorney (with seal):

3.2.1.1 giving documentation from the Louisiana Insurance Department reflecting proof of ownership of the agency.

3.2.1.2 giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.

3.2.1.3 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.

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	*	PART IV	*		*	
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3.2.2 Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$100,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to nearest dollar.

- 3.3** The bidder/contractor must submit with its response to this IFB a certificate of insurance showing proof of errors and omissions coverage on the agent and/or broker with limits of liability of at least \$1,000,000 per claim or per occurrence. This errors and omissions coverage must be maintained throughout the period of this contract.
- 3.4** The bidder/contractor **must** submit a narrative description of the claim service it proposes to provide. The narrative should include, but not necessarily limited to, a description of the claim handling procedures (routine processing) commencing with the date of loss, reaction time on claims and length of time before a claims payment will be made. The bidder/contractor **shall** be held contractually responsible for information provided in EXHIBIT IV.

4. Insurance Required

- 4.1** The contractor shall provide **following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage** subject to the following:

4.1.1 ORM requires that the policy of insurance **shall** provide coverage equal to or exceeding the coverage provided in policy forms reflected in Schedule B of these specifications. The policy of insurance **shall** also include the General Required Endorsements reflected in PART II of these specifications.

4.1.2 Limits of Insurance shall be as follows:

- ❖ Policy Limit = \$15,000,000 per accident
- ❖ Extra Expense Limit = \$5,000,000 per accident
- ❖ Water Damage Limit = \$250,000 per accident
- ❖ Ammonia Contamination Limit = \$250,000 per accident
- ❖ Hazardous Substance Limit = \$250,000 per accident
- ❖ Consequential Damage Limit = \$250,000 per accident
- ❖ Additional Expediting Expense = \$250,000 per accident
- ❖ Business Interruption Limit (not part of the limit per accident) = 25% of annual values
- ❖ Co Insurance – none
- ❖ Deductible = \$50,000 combined deductible any one accident resulting from a covered peril including but not limited to direct damage to covered property, extra expense coverage, water damage, ammonia contamination, hazardous substance limit, consequential damage, business interruption and expediting expense.
- ❖ Limit per accident for the Louisiana State University Co-Generation Power Plant is \$33,584,086. The turbine, generator, and heat recovery steam boiler at the power plant are self-insured up to \$250,000 per occurrence with a 30-day self-insured retention for business interruption and extra expense. All other parts are self-insured up to \$50,000. The extra expense limit on the LSU Co-Gen is \$10,000,000 and the business interruption limit is 25% of the total value which is equal to \$8,396,022.

Regarding the LSU Co-Generation Power Plant, the following are added as additional insureds: J.P.Morgan Trust Co., NA; University Energy Equipment Co., as assignee of/and Bernhard Mechanical Contractors, Inc. A copy of the lease

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	*	PART IV	*		*	
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agreement between Louisiana State University and Bernhard Mechanical Contractors is available upon request.

5. Underwriting Information

5.1 The name insured shall be:

State of Louisiana, All Agencies, Boards and Commissions

5.2 Policy period shall be:

12:01 A.M. Standard Time (at place of issuance) on July 1, 2010 to 12:01 A.M. Standard Time (at place of issuance) on July 1, 2011.

5.3 Annual/Anniversary premium shall be on a flat rate basis with no adjustments being made in a policy year for an increase or decrease in exposure units. However, subsequent anniversary billings will reflect any premium adjustments due to change in exposure units.

5.4 Loss control recommendations and claim details pertaining to the present equipment breakdown protection policy are available for inspection by all interested bidders at 1201 North 3rd Street, Ground Floor, Suite G-192, Baton Rouge, Louisiana, Monday through Friday between the hours of 8:00 A.M. and 3:30 P.M. **Review of the files shall be by appointment only.** Any bidders interested in reviewing the loss control recommendations and/or claim details should contact the following personnel for appointments.

Loss Control Recommendations: Mr. Miller Hartzog

(225) 342-8478

Claim Details: Ms. Patricia Barron

(225) 342-8467

5.5 Additional underwriting information regarding historical information, premium and loss experience can be found in Schedule A of these specifications.

5.6 A list of business interruption locations and annual values can be found in Schedule C of these specifications.

5.7 A report reflecting buildings known to have mechanical elements and a list of agency contact names and phone numbers is included with your bid package. These reports **do not** have to be returned with your completed bid document.

5.7.1 Total value (building replacement cost of buildings known to have mechanical elements) as of February 26, 2010 is \$9,344,002,486.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT I	*		*	
BM-12	*	BID QUOTATION FORM	*	April 21, 2010	*	19 of 27

EXHIBIT I

BID QUOTATION FORM

The bidder/contractor proposes to furnish a policy providing following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage insurance for the premium stated below for the *State of Louisiana, All Agencies, Boards and Commissions* effective for the period of 12:01 A.M. Standard Time, July 1, 2010 to 12:01 A.M. Standard Time, July 1, 2011.

Three – Year Policy(ies) with Annual
Installments in
the Amount Indicated Below

Total Annual Installment Premium¹
(including any policy tax, surplus
tax, policy fees, etc.)

\$

Less Commission Return²
(Per Louisiana R.S. 39:1632)

-\$

()%

Net Annual Installment Premium

\$

¹In the event the percentages of policy tax, or surplus lines tax or other taxes increase due to changed legislation, the bidder(s)/contractor(s) shall absorb the increases as the State cannot pay more than the amounts quoted on the successful bid except in the instances of increased coverage.

²For explanation refer to PART II - Technical Specifications, Subsection 1, General Specifications, Paragraph 1.10 and PART IV - General Bid Information, Subsection 2, Pricing Information, Paragraph 2.4.
Bidder/Contractor must reflect percentage of total premium which will be returned to the State.

EXHIBIT II

RATES

- 1) The bidder/contractor shall indicate below the rate(s) per unit of exposure corresponding to premium indicated on EXHIBIT I.

- 2) The bidder/contractor shall indicate below the hourly rate for time over the two hundred (200) hours for engineering and claims adjusting services. (For explanation refer to PART II-TECHNICAL SPECIFICATIONS, Subsection 6, Engineering, Adjusting and Inspection Services, paragraph 6.5)

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT III	*		*	
BM-12	*	COMPANY SIGNATURE	*	April 21, 2010	*	21 of 27
		PAGE				

EXHIBIT III

COMPANY SIGNATURE PAGE

INSURANCE COMPANY OR COMPANIES TO BE USED AND PERCENTAGE OR LAYER OF COVERAGE TO BE PROVIDED BY EACH: **(If additional space is required supplemental pages that are identified should be attached for insurance company name and signature)**

NOTE: See signature requirements per PART I, Item 6 and PART IV, Item 1.10.

Insurance Company Name: _____

Signature Of Designated Authorized Representative Of The Insurance Company:

Percentage Or Layer Of Coverage To Be Provided:

NOTE: Bidder/Contractor Must Answer the Following Questions:

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1) Is insurance company an assessable mutual company? ³ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Is insurance company licensed to do business in Louisiana? ³ | <input type="checkbox"/> | <input type="checkbox"/> |

³See PART II, Item 1.1.2 of these specifications

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT IV	*		*	
BM-12	*	CLAIMS HANDLING	*	April 21, 2010	*	22 of 27
		PROCESS NARRATIVE				

EXHIBIT IV

CLAIMS HANDLING PROCESS NARRATIVE

Bidders/Contractors **shall** respond to the following:

Provide a narrative description of the claims handling procedures (routine processing) to be used in servicing the account for **following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection** coverage. The description should include, but not be limited to, the routine processing of claims, the reaction time to a new loss, and the length of time before a claim's payment will be made. (If additional space is required, supplemental pages that are identified should be attached for the bidder's/contractor's complete response.)

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT V	*		*	
BM-12	*	COVERAGE DEVIATIONS	*	April 21, 2010	*	23 of 27

EXHIBIT V

COVERAGE AND/OR OTHER SERVICES DEVIATIONS

Bidder/Contractor shall indicate below any change or restriction in conditions, warranties, or exclusions from the **following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage and/or other services required by these specifications**. Submission of sample policy and/or service narrative shall not be considered as compliance with above stipulations. Non-disclosure of changes/restrictions shall be interpreted to mean policy and/or other services to be provided will be in compliance with coverage and/or other services requested in these specifications.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT VI	*		*	
BM-12	*	ENGINEERING AND CLAIMS ADJUSTING SERVICES DEVIATIONS	*	April 21, 2010	*	24 of 27

EXHIBIT VI

ENGINEERING AND CLAIMS ADJUSTING SERVICES DEVIATIONS

Bidder/Contractor **shall** indicate below any changes, restrictions and/or deviations from the engineering and claims adjusting services required in Part II of these specifications. Submission of engineering and claims adjusting services narrative shall not be considered as compliance with above stipulations. Non-disclosure of changes/restrictions **shall** be interpreted to mean engineering and claims adjusting services to be provided will be in compliance with engineering and claims adjusting services requested in these specifications.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT VII	*		*	
BM-12	*	NON-RETURNABLE	*	April 21, 2010	*	25 of 27
		SECTION				

EXHIBIT VII
BIDDER'S CHECK LIST

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	1. Entire IFB returned (per page 6, item 6.2.5).
<input type="checkbox"/>	<input type="checkbox"/>	2. Page 21 (EXHIBIT III) signed by designated authorized representative of the insurance company (per page 6, item 6.1.2 and page 15, item 1.10).
<input type="checkbox"/>	<input type="checkbox"/>	3. Insurance Company Name has been indicated on Page 21 (EXHIBIT III) per page 15, item 1.10.
<input type="checkbox"/>	<input type="checkbox"/>	4. Form ORM-2 signed in ink by designated authorized representative of the insurance agency (per page 6, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	5. Amendment(s) (if applicable) signed in ink by designated authorized representative of the insurance agency (per page 6, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	6. Amendment(s) (if applicable) returned (per page 6, item 6.2.5 and page 5, item 4.2).
NOTE: ITEMS 7A, 7B, AND 7C; <u>OR</u> 8A, 8B, AND 8C; <u>OR</u> 9 IS REQUIRED.		
<input type="checkbox"/>	<input type="checkbox"/>	7A. Board resolution/power of attorney (per page 16, item 3.1.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7B. Board resolution/power of attorney (per page 16, item 3.1.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7C. Board resolution/power of attorney (per page 16, item 3.1.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8A. Notarized affidavit, board resolution/power of attorney (per page 16, item 3.2.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8B. Notarized affidavit, board resolution/power of attorney (per page 16, item 3.2.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8C. Notarized affidavit, board resolution/power of attorney (per page 16, item 3.2.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	9. Bid Bond (per page 16, item 3.1.2 or page 17, item 3.2.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	10. Claims narrative submitted (per page 17, item 3.4 and page 22, EXHIBIT IV).
<input type="checkbox"/>	<input type="checkbox"/>	11. Were any coverage and/or other services deviations submitted on page 23, EXHIBIT V (per page 15, item 1.3)?
<input type="checkbox"/>	<input type="checkbox"/>	12. Does insurance company have current Best Rating of "A++", "A+", "A" or "A-", Class VIII or higher (Per page 9, item 1.1.2)?
<input type="checkbox"/>	<input type="checkbox"/>	13. Were premium rates indicated on EXHIBIT II, page 20 (per page 13, item 7.1 and page 15, item 2.1)?
<input type="checkbox"/>	<input type="checkbox"/>	14. Errors and Omissions Certificate (per page 17, item 3.3) is attached.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT VII	*		*	
BM-12	*	NON-RETURNABLE	*	April 21, 2010	*	26 of 27
		SECTION				

EXHIBIT VII

BIDDER'S CHECK LIST

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	15. Were premium quotations indicated on EXHIBIT I, page 19 (per page 15, items 2.1 and 2.2.)?
<input type="checkbox"/>	<input type="checkbox"/>	16. Was commission return percentage factor reflected on EXHIBIT I, page 19 (per page 16, item 2.4)?
<input type="checkbox"/>	<input type="checkbox"/>	17. Are responses to questions on EXHIBIT III, page 21 in compliance with requirements in Item 1.1.2 on page 9?
<input type="checkbox"/>	<input type="checkbox"/>	18. Was hourly rate for engineering and claims adjusting services indicated on Exhibit II, page 20 (per page 12, item 6.5)?
<input type="checkbox"/>	<input type="checkbox"/>	19. Were any engineering and claims adjusting services deviations submitted on Exhibit VI, page 24 (per page 12, item 6.1)?

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT VII	*		*	
BM-12	*	NON-RETURNABLE	*	April 21, 2010	*	27 of 27
		SECTION				

EXHIBIT VIII

NON-RETURNABLE SECTION

The following information is available on line at the ORM web site (<http://www.doa.louisiana.gov/orm/uwnewbid.htm>). The informational documentation does not need to be printed and returned with your completed bid document. However, this page must be returned as part of the bid quotation. If this page is not signed and returned, the submitted bid will be disqualified.

In the event of any discrepancies between the insurance requirements delineated in these specifications and the underlying policy included herein, the bid specifications **shall** govern.

Schedule	# of Pages
Schedule A – Earned Premium and Loss Experience Information	11
Schedule B – Policy Forms and Endorsements	37
Schedule C – Business Income Values	11
Schedule D – Insurable Buildings with Mechanical Elements	132
Schedule E – Agency Contacts	12
Schedule F – List of Covered Equipment	45

By signing this page, the bidder/contractor acknowledges that the above schedules have been received in full and reviewed.

Signature of Bidder/Contractor